

INFORMATION REPORT

COUNTRY Germany (Russian Zone) May 26 11 20 AM '49

SUBJECT Reparations Procedure

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1. Soviet reparations orders are sent direct from Moscow to the SMA Directorate for Reparations, located in Berlin-Karlshorst, with information copies going to KI I. Koval, the SMA Deputy for Economic Affairs. Under Koval is the SMA Economic Planning Board (headed by M. I. Perelivchenko) which keeps information on the various factories and what they produce. Accordingly, Koval can give the Reparations Directorate the names of factories best able to manufacture the reparations goods desired.
2. The Reparations Directorate is divided into several sections, each in charge of a different type of production. Source is familiar with just one of these sections.
3. Eight copies of the reparations orders are sent from the Directorate to the section concerned. The section sends one copy to the Minister President of the Land in which the factory is located. The Minister President notifies the "Amt fuer Wirtschaftsplanung" which then asks the factory to submit a list of goods which it is able to produce for reparations. After the factory has submitted this list to the section, the specific original order is forwarded. The factory thus believes it is determining which goods are to be sent to Russia as reparations.
4. The orders sent to the German factories are written in German on white paper with a red diametric stripe running through it. Each order lists the following: (a) number of the order, (b) name of factory and the state in which it is located, (c) value of the desired goods in Marks (1944 prices), (d) address to which the goods should be delivered, (e) list and description of products needed, and (f) type of packing desired.
5. Manufactured reparations goods are picked up from the factories by the "Derutra" and delivered to shipping points specified by the Directorate for Reparations. These goods are then forwarded to the Directorate of Engineering (sic), Moscow, for inspection, final approval and delivery to the ministries which originally requested the particular type of reparations goods.

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